8502474/2024/INFRA-INC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Land allotments - APIIC - M/s. Quality Care (India) Limited - Consideration of the request of the company for waiver of fees for change in constitution and difference of land cost under transfer of allotment as per Share Holding Pattern as on 1.10.2023, duly noting the change in constitution, after levying a penalty of Rs.1,00,00,000/- (Rupees One Crore Only) - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.15 Dated:06.02.2024.

Read the following:

1. From the Authorized Signatory, Care Hospitals, Visakhapatnam, representation dt.17.11.2023.
2. Govt. Letter No. INC01-IND0IICE/262/2023-INFRA, dt:28.12.2023.
3. Minutes of the State Investment Promotion Board meeting held on 30.01.2024.

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ORDER:

In his Letter 1st read above, the Authorized Signatory, Care Hospitals, Visakhapatnam has informed that Plot No.03 measuring an extent of Ac.4.18 Cts. (16916.46 Sq. Mtrs.) was provisionally allotted by APIIC to M/s.Quality Care (India) Limited for setting up of "Multi specialty Hospital" at Health City, Chinagadili Village, Visakhapatnam District on outright sale basis at a total land cost of Rs.10,45,00,000/- @ Rs.2.50 Crores per Acre as per G.O.Ms.No.576, Revenue (Assignment-1(2)) Dept., dated:20.05.2006 subject to the terms and conditions mentioned in the Provisional Allotment Order dated 31.03.2007 & modification orders dated 05.01.2009. Vide IOM dated 28.02.2009, APIIC has considered and approved the Change in Ownership of the Company due to change in Directors from 7 to 9 members of the Company without levying any penalty and extended the stipulated period of implementation of the Company from 18 months to 36 months as per the request of the Company. Accordingly, Change in Ownership orders were issued to the Company. Subsequently, after the payment of total land cost final allotment orders were issued to the allottee. Later, Sale Agreement was executed on 09.03.2009 and registered vide Doc. No. 981/2009 dt:09.03.2009 at SRO, Visakhapatnam and the physical possession was handed over to the allottee on 09.03.2009 with the stipulated period of implementation of the project as up to 08.03.2012.

(P.T.O.)

2. The APIIC issued several notices to the Company as the allottee has kept the land vacant without any activity even after lapse of stipulated period of 36 months and in response, the allottee has requested for Extension of Time (EoT) on several occasions for the implementation of the project and the details of EoTs granted to the allottee as per the request of the Company, are as below:

a. 1st EoT was considered for a period of 2 years up to 08.03.2014 for implementation of the project subject to the payment of delay condonation fee @ 3% on the prevailing land cost of Rs.55,17,600/- as per the instructions of Head Office, APIIC vide IOM dt:27.06.2012. But the allottee has not paid the EoT fee. Cancellation orders dt:31.03.2015 were issued to the Company due to non-payment of EoT fee vide IOM dt: 20.09.2014.

b. 2nd EoT cum restoration was considered up to 30.06.2020 subject to the payment of restoration fee @1% on the prevailing land cost of Rs.58,43,707/- and EoT fee @11.75% on the prevailing land cost of Rs.6,86,63,552/- as per Head office instructions vide IOM dt:15.05.2019. After the payment of EoT fee, Restoration cum EoT orders were issued to the Company vide zonal office letter dt: 31.05.2019.

c. 3rd EoT was considered up to 31.12.2023 subject to following conditions as per IOM dt:07.12.2021 viz,

i. payment of EoT fee @1.75% % on the prevailing land cost ie Rs.1,34,42,023/-.
ii. Submission of timelines for implementation of the project within 30 days from the date of communication
iii. Submission of Performance Bank Guarantee valid up to 31.12.2023
iv. Withdrawal of court case by the allottee within 30 days from the date of communication
v. Payment of Legal charges along with GST of Rs.17,700/-.

d. After the fulfilment of the above conditions, EoT orders were issued to the allottee vide zonal office letter dt:29.01.2022.

3. Now, the Company approached APIIC informing that they have gone into operation on 01.09.2023 and requested for execution of Sale Deed duly submitting the requisite documents. During verification of the documents, it was noticed by APIIC that there is a change in Directors of M/s. Quality Care India Limited and also change in share holding pattern of the Company due to dilution of shares of the Company as per the share holding pattern of M/s. Quality Care (India) Limited certified by Chartered Accountant furnished by the Company (Dilution of shares above 51% prior to implementation of the unit).

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4. On the above, APIIC has informed that the Company has implemented the project within the granted EoT period and the Company has achieved assured Investment and employment as per DPR and the unit is working. The Company has diluted the shareholding more than 51% before implementation of the project which attracts transfer of allotment. As per Agreement for Sale, the original allottee is M/s. Quality Care India Limited. But after dilution of shares *M/s. Touch Health care Pvt. Ltd.* become the major shareholding i.e., having 95.87% of share in M/s.Quality Care India Ltd. After the approval of change in ownership in 2009, it was observed that there were changes in the ownership and shareholding pattern as on 6.4.2012, 27.5.2016, 12.4.2019 and as on DCP ie, 01.09.2023. The changes observed are given in the Annexure.

5. As per G.O.Ms.No.67, Industries & Commerce (Infra) Dept., dated 27.07.2023,

Clause No. 27.2 (d) (I) of AR-2023, if the shareholding equity percentage of the initial shareholders of the "allottee/legal entity" falls below 51 % during or prior to project implementation, attracts transfer of allotment for which differential land cost shall be collected.

Clause No.27.2 (e): Differential cost shall be "the difference in the allotment price at the time of allotment and the date of approval of the change in constitution. In addition to differential cost, a process fee of Rs.10,000/- for each change shall be collected.

As per above the cost to be paid by the company is given as below:

Sl. No.	Particular	INR (Crores)
1	Present land cost	18.84
2	Land cost per acre at the time of allotment	2.50
3	Differential land cost per acre	16.34
4	Differential land cost to be paid for Ac. 4.18 Cts. (Including GST @18%	80.61

6. The APIIC accordingly addressed the company with a request to pay the above transfer fee & process fee and the differential land cost with applicable GST of Rs.80,61,69,206/- towards transfer of allotment.

7. On this, the Company has requested for the following:
   a. Request for Execution of Sale deed for Acs.4.18 cts.
   b. Request for approval of change in constitution / Transfer of allotment as per dilution of shares.
   c. Requesting for waiver of fees for change in constitution / Difference of land cost under transfer of allotment as per Share Holding Pattern.

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8. In the reference 3rd read above, the proposal has been placed in State Investment Promotion Board (SIPB) in its meeting held on 30.01.2024 with the recommendations of the State Investment Promotion Committee (SIPC) meeting held on 29.01.2024. The SIPB has discussed the proposal in detail and recommended to consider the request of the firm, for waiver of the fees for change in constitution duly levying a penalty of Rs.1,00,00,000/- (Rupees One Crore Only).

9. Government, after careful examination of the proposal, hereby agreed the request of M/s. Quality Care India Limited for waiver of fees for change in constitution and difference of land cost under transfer of allotment as per Share Holding Pattern as on 1.10.2023, duly noting the change in constitution, after levying a penalty of Rs.1,00,00,000/- (Rupees One Crore Only).

10. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, shall take necessary action in the matter including the request of the company for execution of sale deeds.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The VC&MD, APIIC Ltd., APIIC Towers, Plot No.CFC-1, IT Park,
Mangalagiri- 522 503.

Copy to:
The Commissioner of Industries, APIIC Towers, IT Park,
Mangalagiri- 522 503.
The Authorized Signatory, M/s. Quality Care India Limited.
The General Administration (Cabinet) Department, A.P. Secretariat. (w.r.t. U.O.No.33/2024, dt.01.02.2024.).
The P.S. to Special Chief Secretary to Hon'ble C.M., O/o. the CMO.
The P.S. to Hon'ble Minister (III&C and IT), A.P. Secretariat.
The P.S. to Chief Secretary to Government, A.P. Secretariat.
The P.S. to Secretary to Govt & CIP, Ind. & Com. Dept., A.P. Secretariat.
SC/SF. (Comp.No. 2309984)

//FORWARDED BY: ORDER//

SECTION OFFICER

8502474/2024/INFRA-INC01

(Annexure to G.O.Ms.No.15, Industries & Commerce (Infra) Dept., Dated:06.02.2024)

Annexure on the changes in the ownership during the execution of the project

Name / Shareholder	As on 31.3.2007	As on 9.3.2009	As on 6.4.2012	As on 27.5.2016	As on 12.4.2019	As on 1.10.2023
Dr. B. Soma Raju, CMD	7.96	7.96	2.24	0	0.07	0.14
Mr. D. Suresh	2.03	2.03	0.47	0.18	0.17	0.12
Dr. N. Krishna Reddy	2.99	3.09	0.03	-	-	-
Rajiv Amrish Agarwal	-	0.11	-	-	-	-
Dr. A. Raja Gopala Raju	0.15	0.15	0.02	-	-	-
Demurg Enterprise s Ltd.	20.91	20.91	-	-	-	-
G2 Trade Centre Private Limited	21.21	21.21	-	-	-	-
M/s. SNR Investments Private Limited	0.82	0.82	0.64	0.53	0.50	0.50
M/s. Veeyes Investments Pvt Ltd.	0.82	0.82	0.64	0.53	0.50	0.50
M/s. High grace Investments Pvt Ltd	0.82	0.82	0.64	0.53	0.50	0.50
M/s. Elem Investments Pvt. Ltd	0.82	0.82	0.64	0.53	0.50	0.50
M/s. Finciti Investment s Pvt. Ltd.	0.82	0.82	0.64	0.53	0.50	0.50
Others with meagre shares values	40.69	40.44	3.3	2.94	1.39	1.37
Yecla Limited			43.06			
Dexelco Limited	-	-	47.68	-	-	-
Touch Healthcare Private Limited	-	-	-	94.23	95.87	95.87
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP